

Competitive Sourcing in the Marine Corps: Friend or Foe?

Subject Area General

EWS 2006

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Friend or Foe?

Contemporary Issues Paper
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07 February 2006

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 07 FEB 2006		2. REPORT TYPE		3. DATES COVERED 00-00-2006 to 00-00-2006	
4. TITLE AND SUBTITLE Competitive Sourcing in the Marine Corps: Friend or Foe?				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) United States Marine Corps, Command Staff College Marine Corps University, 2076 South Street, Marine Corps Combat Development Command, Quantico, VA, 22134-5068				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 13	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

In recent years, there has been a trend in the Marine Corps toward contracting noncombat oriented jobs to U.S. civilians and third-country nationals. This competitive sourcing, or "outsourcing," of Marine Corps' billets is being implemented with the goal of decreasing the number of Marines required to perform support functions in order to increase the number of Marines available for warfighting. Theoretically, competitive sourcing allows the Marine Corps to meet support requirements more effectively, efficiently and at a monetary savings. Considering the Marine Corps' limited resources, it would seem that implementing this manpower approach could make a positive impact on operational readiness. However, competitive sourcing raises some negative issues such as lack of flexibility, degraded unit cohesion, and potential security risks, that threaten to undermine the Marine Corps' overall operational readiness.

Background

Since 1955, the executive branch has encouraged federal agencies, including the Department of Defense (DOD), to obtain commercially available services from the private sector when the agencies determine that such action is cost-effective and when the subject services are inherently "nongovernmental." The

Office of Management and Budget (OMB) formalized this policy in Circular A-76, issued in 1966. In 1979, this circular was supplemented with a handbook that included procedures for competitively determining whether commercial activities should be performed in-house, by another agency, or contracted to the civilian sector. Generally stated, the guidance from this circular directed federal agencies to determine the most cost efficient means by which to perform their necessary functions. If the activities could be contracted to the private sector at a cost savings above an established margin, then the agency was to replace the federal employee with a civilian.¹ This employee replacement marked the beginning of the practice that is now commonly referred to as competitive sourcing.

The competitive sourcing program was a major part of The Defense Reform Initiative announced by Defense Secretary William Cohen shortly after taking his post in 1997. The goal, according to Cohen, was to streamline the Pentagon bureaucracy and save \$11 billion in infrastructure costs.² In keeping with the initiative, the Marine Corps adopted an aggressive posture toward implementation of competitive sourcing. In March 1999, Mr. Robert E. Hammond, Assistant Deputy Chief of Staff for Installations and Logistics, stated before the House Armed Services Committee, "The United States Marine Corps is committed to managing its resources in the most effective and efficient

manner while transforming to a modernized force designed to meet our national security objectives now and into the 21st Century.”³ As one of the pillars to obtaining this goal, Mr. Hammond stated the Marine Corps was aggressively pursuing ways in which to, “Free up Marines from work on installations to man shortfalls in the operating forces.”⁴ He further stated that the Marine Corps had planned and implemented an ambitious A-76 plan.⁵ Since Fiscal Year 1999, the Marine Corps has implemented an aggressive A-76 competition plan and currently processes the highest military to civilian ratio among the armed services.⁶

Current Status of Military-Civilian Conversions

There are presently over sixteen thousand civilians serving in the Marine Corps’ supporting establishment.⁷ Recently, over two thousand Marines were replaced by civilian employees via the A-76 competition plan.⁸ The civilians have moved into diverse and wide-ranging areas such as information technology (Navy Marine Corps Intranet), food service, garrison mobile equipment operations and base security.⁹ As a result, many of the duties that were previously performed by Marines are now being performed by U.S. civilians and/or third-country nationals. This paradigm shift is evident throughout the Marine Corps both stateside and abroad as these contracted personnel are

performing their duties in garrison environments and in combat zones.

Guidance and directives from Headquarters Marine Corps regarding military to civilian (Mil-Civ) conversions have become commonplace in recent years. MARADMIN 058/05 is the current document directing the FY 06 Mil-Civ conversions. This MARADMIN states that the Marine Corps will continue Mil-Civ conversions in FY 06 as approved by the Marine Requirements Oversight Council (MROC), and that all billets converted will continue to be realigned to the operating forces to support new requirements.¹⁰ Over the past year, the MROC created a new organization called the Marine Corps Business Enterprise (MCBE) that is located in the Installations and Logistics (I&L) Department and works closely with the Deputy Commandant, Programs and Resources (DC P&R). The mission of the MCBE is to, "improve warfighting excellence through a never-ending commitment to perform business processes better, faster and at lower cost."¹¹ This organization has become the spearhead for the Marine Corps' approach to implementing business initiatives.

Resource management is one important aspect that the MCBE explores in order to devise better business practices. The Marine Corps is a very people-intensive organization and thus, improving warfighting capability is largely about utilizing personnel assets resourcefully in order to promote efficiency.

Nearly two-thirds of the Marine Corps' budget goes to manpower compensation while one-third of the force structure is engaged in noncombat-related activities that do not require military skills.¹² The contention is that these jobs should be performed by contracted civilians in order to free Marines to fight.

By direction of the Commandant of the Marine Corps via MARADMIN 058/05, commanders are required to identify new billets for possible Mil-Civ conversion. Specifically, the following functional areas are to be closely evaluated: supply, transportation, and utilities. Additionally, garrison military police functions are scheduled to be civilianized in the near future in order to fill gaps in this low density/high demand Military Occupational Specialty (MOS).¹³ Considering the current operational tempo and budget restraints, it is readily apparent that the concept of contracting within the private sector support to perform duties once handled by Marines is gaining momentum and will continue to expand in scope throughout the foreseeable future.

Pitfalls of Civilianization

To many, the provisions of the OMB Circular A-76 are restrictive and counterproductive to achieving the common goals of the U.S. government and the military.¹⁴ There are significant disadvantages and inherent risks associated with the

proportioned civilianization of Marine Forces. For example, there is a lack of flexibility as to the tasks assigned to civilian contractors because the actions of the civilian workforce are strictly governed by the contract between the Marine Corps and the contractor. Once a contract is signed, it is legally binding, and the contracted personnel are not required to perform any tasks beyond that which is clearly delineated in the contract. If an emerging requirement becomes apparent after a contract is officially agreed upon, this lack of flexibility could become an issue. Any deviation from the contract will not be permitted unless it is amended, which can be a costly process. This leads to a rigidity in manpower management and can restrict the actions of leaders. In contrast, Marines are trained to be flexible and adaptable. They will do anything to get the mission accomplished despite adversity and/or hardship. Because this is not necessarily the case with civilians, who are not legally obligated to perform any task not specifically annotated in their contract, the loss of flexibility and dedication to mission accomplishment could potentially become an unintended consequence of civilianization.

Another problem with mixing a civilian workforce with Marines is the potential degradation of unit morale and cohesion. Marines are accustomed to working with other Marines that share a common experience, work ethic and ethos. They have

all gone through similar experiences to become Marines and have adapted the Marine Corps' values and way of life. Having not been exposed to these similar experiences, civilians will most likely not be engrained with the same absolute, unwavering dedication to duty as the Marines. This may impede the esprit de corps and camaraderie within a unit. Moreover, this situation could put the unit leader in a predicament while trying to manage a combined military and nonmilitary workforce. As noted by the Commanding Officer of The Naval Strategic Sourcing Support Office, Captain William Rogers, "The [billets] that are commercial in nature and appropriate for competition are often integrated with inherently [military] functions and cannot be easily [outsourced]."¹⁵ Therefore, it is plausible that the commingling of military and civilian personnel will be an inherent problem with civilianization of the military.

Lastly, perhaps the most striking problem with the civilianization of the Marine Corps' workforce is the associated security risks. U.S. civilians and third-country nationals are being afforded virtually unrestricted access to Marine installations worldwide, including combat zones. Of particular concern is the contracting of messmen in military dining facilities. This practice gives potentially hostile and dangerous personnel access not only to mass gatherings of military personnel, but also Marines' food supply. This is a

situation that could potentially be exploited by those with nefarious intentions towards Coalition Forces. Likewise, the utilization of contracted personnel to provide base and station security poses similar threats to United States and coalition forces.

Conclusion

There is little doubt that the military-civilian conversion process in the Marine Corps is going to proceed as planned. This is an initiative that is being directed from the highest levels of the United States government and is well underway. However, in light of the significant requirements associated with fighting the Global War on Terrorism, the Marine Corps must adopt ways to mitigate the potentially disastrous consequences of competitive sourcing. The lack of flexibility, degraded unit cohesion, and security risks inherent with civilianization must be recognized and the negative effects mitigated in order for the Marine Corps to retain superior operational readiness.

Word Count: 1,573

Notes

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5. Hammond, 1.

6. Office of the Under Secretary of Defense, *Defense Manpower Requirements Report*, March 2004 (Washington, D.C.), 82.

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